

QUARTERLY STATEMENT

OF THE

Texas Windstorm Insurance Association

of Austin

in the state of Texas

TO THE

Insurance Department

OF THE

STATE OF

Texas

FOR THE QUARTER ENDED

March 31, 2017

PROPERTY AND CASUALTY

2017



30040201720100101

QUARTERLY STATEMENT

AS OF MARCH 31, 2017
OF THE CONDITION AND AFFAIRS OF THE

Texas Windstorm Insurance Association

NAIC Group Code 4766, 4766; NAIC Company Code 30040; Employer's ID Number 74-6189303; Organized under the Laws of Texas; Country of Domicile USA; Statutory Home Office 5700 S. Mopac Bldg A; Main Administrative Office 5700 S. Mopac Bldg A; Mail Address P.O. Box 99090; Primary Location of Books and Records 5700 S. Mopac Bldg A; Internet Website Address www.twia.org; Statutory Statement Contact Allen David Fulkerson

OFFICERS

Georgia Rutherford Neblett

Table with 2 columns: Name, Title. Officers listed include John William Polak (General Manager), Joshua Fields (Vice Chairman), and Debbie King (Secretary-Treasurer).

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. Vice-presidents listed include David Patrick Durden (VP Legal), David Scott Williams (VP Claims), Juanita Deloris Lester (VP HR and Administration), and Denise Ingerson Larzalere (VP Underwriting).

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Directors listed include Blair E. Crossan, Joshua Fields, Tony Schrader, Bryan Shofner, Georgia Rutherford Neblett, R. Scott Kesner, and Michael Frank Gerik.

State of Texas

County of Travis ss

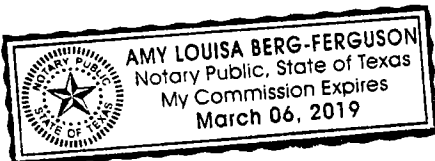
The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon...

Signature lines for John William Polak (General Manager), Peter Harold Gise (Chief Financial Officer), and Michael Frank Gerik.

Subscribed and sworn to before me this 8th day of May, 2017

Signature of Notary Public Amy Louisa Berg-Ferguson

a. Is this an original filing? [X] Yes [] No
b. If no: 1. State the amendment number, 2. Date filed, 3. Number of pages attached



ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds				
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 331,628,158), cash equivalents (\$ 467,515,945), and short-term investments (\$ 27,753,917)	897,630,382	70,732,362	826,898,020	970,529,915
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	897,630,382	70,732,362	826,898,020	970,529,915
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	398,472		398,472	613,249
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	361,692	134,702	226,990	204,394
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	2,864,020	2,864,020		
21. Furniture and equipment, including health care delivery assets (\$ 0)	1,071,624	1,071,624		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	966,420		966,420	1,260,559
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	6,177,330	5,067,370	1,109,960	99,783
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	909,469,940	79,870,078	829,599,862	972,707,900
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	909,469,940	79,870,078	829,599,862	972,707,900

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid assets	4,955,489	4,955,489		
2502. Prepaid reinsurance premiums	987,111		987,111	
2503. Accounts receivable write-in	122,849		122,849	99,783
2598. Summary of remaining write-ins for Line 25 from overflow page	111,881	111,881		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	6,177,330	5,067,370	1,109,960	99,783

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 4,846,264)	43,460,654	43,248,596
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	10,108,347	10,209,966
4. Commissions payable, contingent commissions and other similar charges	5,701,392	4,507,888
5. Other expenses (excluding taxes, licenses and fees)	4,885,389	4,210,175
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		1,563,166
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
7.2. Net deferred tax liability		
8. Borrowed money \$ 458,400,000 and interest thereon \$ 9,126,000	467,526,000	476,652,000
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 0 and including warranty reserves of \$ 0 and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act)	211,136,339	237,725,520
10. Advance premium	14,384,777	7,108,831
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		27,496,977
13. Funds held by company under reinsurance treaties	5,911,537	1,819,185
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated	2,387,975	3,344,050
16. Provision for reinsurance (including \$ 0 certified)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities	64,097,452	154,821,546
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	829,599,862	972,707,900
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	829,599,862	972,707,900
29. Aggregate write-ins for special surplus funds		
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)		
36. Less treasury stock, at cost:		
36.1. 0 shares common (value included in Line 30 \$ 0)		
36.2. 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)		
38. Totals (Page 2, Line 28, Col. 3)	829,599,862	972,707,900

DETAILS OF WRITE-IN LINES		
2501. Statutory fund payable	56,225,122	147,014,890
2502. Pension benefits liability	4,342,622	4,342,622
2503. Escheat funds	1,777,290	1,778,755
2598. Summary of remaining write-ins for Line 25 from overflow page	1,752,418	1,685,279
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	64,097,452	154,821,546
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	NONE	
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page	NONE	
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 91,663,101)	118,252,282	124,723,507	496,456,941
1.2 Assumed (written \$ 0)			
1.3 Ceded (written \$ 5,803,979)	5,803,979		126,052,796
1.4 Net (written \$ 85,859,122)	112,448,303	124,723,507	370,404,145
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 8,675,733):			
2.1 Direct	8,097,671	1,503,427	19,003,892
2.2 Assumed			
2.3 Ceded	535,889		34,997
2.4 Net	7,561,782	1,503,427	18,968,895
3. Loss adjustment expenses incurred	3,715,164	5,420,212	19,656,030
4. Other underwriting expenses incurred	21,552,233	24,665,429	109,755,951
5. Aggregate write-ins for underwriting deductions	56,225,122	70,137,159	147,014,890
6. Total underwriting deductions (Lines 2 through 5)	89,054,301	101,726,227	295,395,766
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	23,394,002	22,997,280	75,008,379
INVESTMENT INCOME			
9. Net investment income earned	(7,799,104)	(9,079,353)	(34,620,236)
10. Net realized capital gains (losses) less capital gains tax of \$ 0			
11. Net investment gain (loss) (Lines 9 + 10)	(7,799,104)	(9,079,353)	(34,620,236)
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income	700	492	66,919
15. Total other income (Lines 12 through 14)	700	492	66,919
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	15,595,598	13,918,419	40,455,062
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	15,595,598	13,918,419	40,455,062
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19) (to Line 22)	15,595,598	13,918,419	40,455,062
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year			
22. Net income (from Line 20)	15,595,598	13,918,419	40,455,062
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0			
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets	(15,595,598)	(13,918,419)	(40,374,958)
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			(80,104)
38. Change in surplus as regards policyholders (Lines 22 through 37)			
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)			

DETAILS OF WRITE-IN LINES			
0501. Statutory fund expense	56,225,122	70,137,159	147,014,890
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)	56,225,122	70,137,159	147,014,890
1401. Other income (loss)	700	492	66,919
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	700	492	66,919
3701. Pension unassigned funds - unrecognized losses			(80,104)
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			(80,104)

CASH FLOW

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	69,682,652	80,687,004	362,587,617
2. Net investment income	(7,397,392)	(9,229,095)	(36,440,376)
3. Miscellaneous income	700	493	66,919
4. Total (Lines 1 to 3)	62,285,960	71,458,402	326,214,160
5. Benefit and loss related payments	7,349,724	8,555,036	36,786,677
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	172,265,288	125,334,923	226,492,609
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)			
10. Total (Lines 5 through 9)	179,615,012	133,889,959	263,279,286
11. Net cash from operations (Line 4 minus Line 10)	(117,329,052)	(62,431,557)	62,934,874
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds			
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)			
13. Cost of investments acquired (long-term only):			
13.1 Bonds			
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)			
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)			
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds	(9,126,000)	(9,672,000)	(42,692,000)
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	(17,176,843)	(16,336,746)	(41,329,700)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(26,302,843)	(26,008,746)	(84,021,700)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(143,631,895)	(88,440,303)	(21,086,826)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	970,529,915	991,616,741	991,616,741
19.2 End of period (Line 18 plus Line 19.1)	826,898,020	903,176,438	970,529,915

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			
20.0002			
20.0003			

NOTES TO FINANCIAL STATEMENTS

Note 1- Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Texas Windstorm Insurance Association (TWIA) have been prepared on the basis of accounting practices prescribed or permitted by the Department of Insurance of the State of Texas (TDI). Prescribed statutory accounting practices include state laws, regulations and general administrative rules applicable to all insurance companies domiciled in the State of Texas and the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Manual* subject to any deviations prescribed or permitted by the Texas Department of Insurance.

Reconciliations of net income and policyholders' surplus between the amounts reported in the accompanying financial statement (TX basis) and NAIC SAP follow:

Description	SSAP #	F/S Page	F/S Line #	2017	2016
1. Net income, TX basis	XXX	XXX	XXX	\$ 15,595,598	\$ 40,455,062
2. Effect of TX prescribed practices				-	-
3. Effect of TX permitted practices				-	-
4. Net income, NAIC SAP basis	XXX	XXX	XXX	\$ 15,595,598	\$ 40,455,062

Description	SSAP #	F/S Page	F/S Line #	2017	2019
5. Policyholders' surplus, TX basis	XXX	XXX	XXX	\$ -	\$ -
6. Effect of TX prescribed practices				-	-
7. Effect of TX permitted practices	20	2	5	(467,515,945)	(476,641,574)
8. Policyholders' surplus, NAIC SAP basis	XXX	XXX	XXX	(\$ 467,515,945)	(\$ 476,641,574)

TDI has approved the permitted practice to allow TWIA to admit the following restricted assets associated with the issuance of Series 2014 Pre-Event Class 1 Revenue Bonds ("Series 2014 bonds") as of March 31, 2017 (see Debt footnote) to the extent that the assets do not exceed bond related liabilities. The detailed amounts are as follows:

- \$445,912,211 held in the program fund.
- \$92,336,096 held in the obligation revenue fund for repayment of the Series 2014 bonds.
- (\$70,732,362) related to the amount of assets in excess of bond liabilities.

The restrictions are primarily due to debt service reserves and use of proceeds only when a large hurricane event occurs.

- B. Use of Estimates in the Preparation of the Financial Statements – No significant change
 C. Accounting Policy – No significant change
 D. Going Concern – Management has evaluated the Association's ability to continue as a going concern. There is no substantial doubt for the Association to continue as a going concern.

Note 2- Accounting Changes and Corrections of Errors

No significant change

Note 3 - Business Combinations and Goodwill

Not applicable

Note 4 - Discontinued Operations

Not applicable

Note 5 – Investments

- A. Mortgage Loans – Not applicable
 B. Troubled debt restructuring for creditors – Not applicable
 C. Reverse mortgages – Not applicable
 D. Loan-backed and structured securities – Not applicable
 E. Repurchase agreements and/or securities lending transactions – No significant change
 3 B. The aggregate fair value of all securities acquired was \$538,248,307.
 F. Writedowns for impairments of real estate, real estate sales and retail land sales operations and real estate with participating mortgage loan features – None
 G. Low income housing tax credits – None

NOTES TO FINANCIAL STATEMENTS

- H. Restricted Assets – During the first quarter 2017, TWIA has invested in time deposit with a bank that have a 31 day mandatory maturity where funds are available only at future date. The value of time deposits totaled \$90,560,232 as of March 31, 2017.
- I. Working Capital Finance Investments – None
- J. Offsetting and Netting of Assets and Liabilities – None
- K. Structured Notes– Not applicable
- L. 5* Securities - Not applicable

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

Not applicable

Note 7 - Investment Income

No significant change

Note 8 - Derivative Instruments

Not applicable

Note 9 - Income Taxes

No significant change

Note 10 - Information Concerning Parent, Subsidiaries, and Affiliates

No significant change

Note 11 - Debt

- A. Debt – No significant change.
- B. Funding Agreements with Federal Home Loan Bank (FHLB)
Not applicable

Note 12 - Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

No significant change

Note 13 - Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

Not applicable

Note 14 - Contingencies

- A. Capital Commitments
The Association has no commitments or contingent commitments to other entities.
- B. Assessments
Not applicable
- C. Gain Contingencies
Not applicable
- D. Extra Contractual Obligation and Bad Faith Losses
None
- E. Product Warranties
Not applicable
- F. Joint and Several Liabilities
Not applicable

NOTES TO FINANCIAL STATEMENTS

G. Other Contingencies

The Association is subject to various investigations, claims and legal proceedings covering a wide range of matters that arise in the ordinary course of business activities. Management believes that any liability that may ultimately result from the resolution of these matters in excess of the amounts provided will not have a material adverse effect on the financial position of the Association. These matters are subject to various uncertainties, and some of these matters may be resolved unfavorably to the Association.

Note 15 – Leases

No significant change

Note 16 - Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

Not applicable

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable

Note 18 - Gain or Loss from Uninsured Plans and Uninsured Portion of Partially Insured Plans

Not applicable

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable

Note 20 - Fair Value Measurement

A. Inputs Used for Assets and Liabilities Measured and Reported at FAIR Value

Not applicable

B. Other Fair Value Disclosures

Not applicable

C. Fair Values for All Financial Instruments by Levels 1, 2 and 3

The table below reflects the fair values and admitted assets and liabilities that are financial instruments. The fair values are also categorized into the three-level fair value hierarchy. Cash, cash equivalents and short-term investments are the only financial instruments held by the Association in which carrying value and fair value are the same.

<u>Type or Class of Financial Instrument</u>	<u>Aggregate Fair Value</u>	<u>Admitted Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash, cash equivalents and short-term investments	\$897,630,382	\$826,898,020	\$897,630,382	\$ -	\$ -

D. Items for which Not Practicable to Estimate Fair Values

Not applicable

Note 21 - Other Items

A. Unusual or Infrequent Items

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

None

NOTES TO FINANCIAL STATEMENTS

- D. Business Interruption Insurance Recoveries
Not applicable
- E. State Transferable and Non-transferable Tax Credits
Not applicable
- F. Subprime Mortgage Related Risk Exposure
Not applicable
- G. Insurance Linked Securities
No significant change

Note 22 - Events Subsequent

Subsequent events have been considered through the date of issuance of these financial statements. There were no events occurring subsequent to the end of the quarter that merited recognition or disclosure in these statements.

Note 23 - Reinsurance

- A. Unsecured Reinsurance Recoverables

The Association does have unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with individual reinsurers, authorized or unauthorized, that exceeds 3% of the Company's policyholder surplus.

NAIC Code	Federal ID #	Name of Reinsurer	Amount
NONE			

- B. Reinsurance Recoverables in Dispute

The Association does not have reinsurance recoverables in dispute for paid losses and loss adjustment expenses that exceed 5% of policyholders' surplus from an individual reinsurer or exceed 10% of policyholders' surplus in aggregate.

Name of Reinsurer	Total Amount in Dispute (Including IBNR)	Status of Dispute		
		Notification	Arbitration	Litigation
NONE				

- C. Reinsurance Assumed and Ceded

1. The following table summarizes the assumed and ceded unearned premiums and related commissions equity at the end of the current year.

	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
a. Affiliates						
b. All other						
c. Totals						
d. Direct Unearned Premium Reserve			\$211,136,339			

2. No accrual exists at the end of the current year for additional or return commission, predicated on loss experience or on any other form of profit sharing agreements in this annual statement as a result of existing contractual arrangements.
3. The Association does not use protected cells as an alternative to traditional reinsurance.

- D. Uncollectible Reinsurance
Not applicable

NOTES TO FINANCIAL STATEMENTS

- E. Commutation of Ceded Reinsurance
Not applicable
- F. Retroactive Reinsurance
Not applicable
- G. Reinsurance Accounted for as a Deposit
Not applicable
- H. Run-off Agreements
Not applicable
- I. Certified Reinsurer Downgrades or Status Subject to Revocation
Not applicable
- J. Reinsurance Agreement Qualifying for Reinsurer Aggregation
Not applicable

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

	March 31, 2017	December 31, 2016
Balance as of January 1,	\$ 53,501,529	\$ 75,052,743
Reinsurance Recoverable	42,967	-
Net Balance at January 1,	53,458,562	75,052,743
Incurred, net of reinsurance, related to:		
Current year	11,769,557	46,219,694
Prior years	(492,611)	(7,594,769)
Net Incurred	11,276,946	38,624,925
Paid, net of reinsurance, related to:		
Current year	(5,484,428)	(37,597,529)
Prior years	(5,682,079)	(22,621,577)
Net Paid Losses	(11,166,507)	(60,219,106)
Net Balance at March 31,	53,569,001	53,458,562
Reinsurance Recoverable	341,238	42,967
Balance at March 31,	\$ 53,910,239	\$ 53,501,529

Reserves as of December 31, 2016 were \$53,501,529. As of March 31, 2017, \$5,682,079, net of reinsurance, has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$47,283,872 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been \$492,611 favorable prior-year development since December 31, 2016. Recent development trends are also taken into account in evaluating the overall adequacy of reserves. The Association feels that the loss and LAE reserves as of March 31, 2017 make a reasonable provision for Texas Windstorm Insurance Association's claim liabilities.

Note 26 - Intercompany Pooling Arrangements

Not applicable

Note 27 - Structured Settlements

Not applicable

Note 28 - Health Care Receivables

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 29 - Participating Policies

Not applicable

Note 30 - Premium Deficiency Reserves

No significant change

Note 31 - High Deductibles

Not applicable

Note 32 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

Not applicable

Note 33 - Asbestos/Environmental Reserves

A hearing was held on January 8, 2003, for the purpose of making changes to T.W.I.A. policies. A petition was heard to clarify T.W.I.A.'s exclusion for mold coverage. T.W.I.A. policies do not cover loss due to mold damage, and the clarification verbiage is being added to all of its policies, i.e., residential, commercial, and mobile home. Approval of the petition became effective March 1, 2003.

Note 34 - Subscriber Savings Accounts

Not applicable

Note 35 - Multiple Peril Crop Insurance

Not applicable

Note 36 - Financial Guaranty Insurance

Not applicable

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]

2.2 If yes, date of change: _____

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No [X]

If yes, complete Schedule Y, Parts 1, and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [X] No []

3.3 If the response to 3.2 is yes, provide a brief description of those changes.
 Chief Actuary resigned effective May 4, 2017.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] N/A [X]
 If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____ 12/31/2012 _____

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. _____ 12/31/2012 _____

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). _____ 10/24/2014 _____

6.4 By what department or departments?
 Texas Department of Insurance

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] N/A []

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]

GENERAL INTERROGATORIES

7.2 If yes, give full information

.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
.....
.....

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules, and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

Yes [X] No []

9.11 If the response to 9.1 is No, please explain:

.....

9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

.....

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

Texas Department of Insurance

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 966,420

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [X] No []

GENERAL INTERROGATORIES

11.2 If yes, give full and complete information relating thereto:

.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ _____

13. Amount of real estate and mortgages held in short-term investments: \$ _____

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ _____	\$ _____
14.22 Preferred Stock	\$ _____	\$ _____
14.23 Common Stock	\$ _____	\$ _____
14.24 Short-Term Investments	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
14.26 All Other	\$ _____	\$ _____
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ _____	\$ _____
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ _____	\$ _____

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
 If no, attach a description with this statement. Yes [] No []

16. For the reporting entity's security lending program, state the amount of the following as current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ _____
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ _____
16.3 Total payable for securities lending reported on the liability page	\$ _____

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [] No [X]

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
.....
.....

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....
.....

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [] No [X]

GENERAL INTERROGATORIES

17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....
.....

17.5 Investment management - Identify all investment advisors, investment managers, broker/dealers. Including individuals that have the authority to make investments decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["..that have access to the investment accounts";"..handle securities"]

1 Name of Firm or Individual	2 Affiliation
John Polak	I
Pete Gise	I
.....

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes [] No [X]

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [] No [X]

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
.....
.....

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [] No [X]

18.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?
If yes, attach an explanation. Yes [] No [] N/A [X]

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?
If yes, attach an explanation. Yes [] No [X]

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]

3.2 If yes, give full and complete information thereto:
.....
.....
.....
.....

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero? Yes [] No [X]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
.....
.....
.....
TOTAL		

5. Operating Percentages:
 5.1. A&H loss percent _____ %
 5.2. A&H cost containment percent _____ %
 5.3. A&H expense percent excluding cost containment expenses _____ %

6.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ _____

6.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

6.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ _____

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
<p>NONE</p>						

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year To Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2	3	4	5	6	7	
		Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date	
1. Alabama	AL	N						
2. Alaska	AK	N						
3. Arizona	AZ	N						
4. Arkansas	AR	N						
5. California	CA	N						
6. Colorado	CO	N						
7. Connecticut	CT	N						
8. Delaware	DE	N						
9. District of Columbia	DC	N						
10. Florida	FL	N						
11. Georgia	GA	N						
12. Hawaii	HI	N						
13. Idaho	ID	N						
14. Illinois	IL	N						
15. Indiana	IN	N						
16. Iowa	IA	N						
17. Kansas	KS	N						
18. Kentucky	KY	N						
19. Louisiana	LA	N						
20. Maine	ME	N						
21. Maryland	MD	N						
22. Massachusetts	MA	N						
23. Michigan	MI	N						
24. Minnesota	MN	N						
25. Mississippi	MS	N						
26. Missouri	MO	N						
27. Montana	MT	N						
28. Nebraska	NE	N						
29. Nevada	NV	N						
30. New Hampshire	NH	N						
31. New Jersey	NJ	N						
32. New Mexico	NM	N						
33. New York	NY	N						
34. North Carolina	NC	N						
35. North Dakota	ND	N						
36. Ohio	OH	N						
37. Oklahoma	OK	N						
38. Oregon	OR	N						
39. Pennsylvania	PA	N						
40. Rhode Island	RI	N						
41. South Carolina	SC	N						
42. South Dakota	SD	N						
43. Tennessee	TN	N						
44. Texas	TX	L	91,663,101	102,634,881	7,614,906	8,555,036	43,766,358	54,014,768
45. Utah	UT	N						
46. Vermont	VT	N						
47. Virginia	VA	N						
48. Washington	WA	N						
49. West Virginia	WV	N						
50. Wisconsin	WI	N						
51. Wyoming	WY	N						
52. American Samoa	AS	N						
53. Guam	GU	N						
54. Puerto Rico	PR	N						
55. U.S. Virgin Islands	VI	N						
56. Northern Mariana Islands	MP	N						
57. Canada	CAN	N						
58. Aggregate Other Alien	OT	X X X						
59. Totals	(a) 1		91,663,101	102,634,881	7,614,906	8,555,036	43,766,358	54,014,768

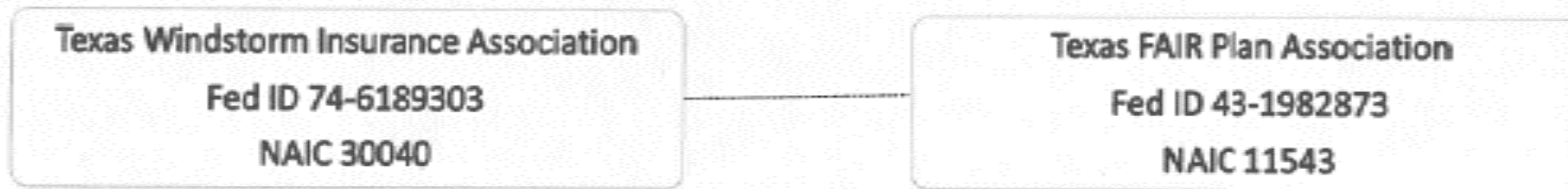
DETAILS OF WRITE-INS							
58001.		X X X					
58002.		X X X					
58003.		X X X					
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X					
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X					

NONE

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer;
 (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state: (other than their state of domicile - see DSLI);
 (D) DSLI - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write Surplus Lines in the state of domicile;
 (N) None of the above - Not allowed to write business in the state.
 (a) Insert the number of D and L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



PART 1 – LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2. Allied lines	118,252,282	8,097,671	6.8	1.2
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability-occurrence				
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability				
19.3, 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS	118,252,282	8,097,671	6.8	1.2

DETAILS OF WRITE-INS			
3401.	NONE		
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

PART 2 – DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines	91,663,101	91,663,101	102,634,881
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence			
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability			
19.3, 19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS	91,663,101	91,663,101	102,634,881

DETAILS OF WRITE-INS			
3401.	NONE		
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2017 Loss and LAE Payments on Claims Reported as of Prior Year-End	2017 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2017 Loss and LAE Payments (Cols 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss & LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2014 + prior	5,883	34,996	40,879	1,610	152	1,762	5,633	4	32,598	38,235	1,360	(2,242)	(882)
2. 2015	2,650	1,308	3,958	351	7	358	2,568	7	1,253	3,828	269	(41)	228
3. Subtotals 2015 + prior	8,533	36,304	44,837	1,961	159	2,120	8,201	11	33,851	42,063	1,629	(2,283)	(654)
4. 2016	1,860	6,762	8,622	1,637	1,925	3,562	708	379	4,133	5,220	485	(325)	160
5. Subtotals 2016 + prior	10,393	43,066	53,459	3,598	2,084	5,682	8,909	390	37,984	47,283	2,114	(2,608)	(494)
6. 2017	X X X	X X X	X X X	X X X	5,484	5,484	X X X	1,430	4,856	6,286	X X X	X X X	X X X
7. Totals	10,393	43,066	53,459	3,598	7,568	11,166	8,909	1,820	42,840	53,569	2,114	(2,608)	(494)

8. Prior Year-End Surplus As Regards Policyholders _____

Col. 11, Line 7	Col. 12, Line 7	Col. 13, Line 7
As % of Col. 1,	As % of Col. 2,	As % of Col. 3,
Line 7	Line 7	Line 7
1. <u>20.341</u>	2. <u>-6.056</u>	3. <u>-0.924</u>
		Col. 13, Line 7
		Line 8
		4. _____

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	YES

Explanation:

- Question 1: Not required

- Question 2: TWIA does not provide medical professional liability coverage.

- Question 3: TWIA does not provide Medicare Part D coverage.

Bar Code:



OVERFLOW PAGE FOR WRITE-INS

Page 2 - Continuation

ASSETS

	Current Year			Prior Year
	1	2	3	4
		Nonadmitted	Net Admitted	Net Admitted
	Assets	Assets	Assets	Assets
			(Cols. 1 - 2)	
REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR OTHER THAN INVESTED ASSETS				
2504. Security deposit - lease	111,881	111,881		
2597. Totals (Lines 2501 through 2596) (Page 2, Line 2598)	111,881	111,881		

OVERFLOW PAGE FOR WRITE-INS

Page 3 - Continuation

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR LIABILITIES	Current Statement Date	December 31, Prior Year
2504. Lease incentive obligation	723,611	755,072
2505. Deferred rent liability	567,868	575,389
2506. Surcharge payable	460,939	354,818
2597. Totals (Lines 2504 through 2596) (Page 3, Line 2598)	1,752,418	1,685,279

NONE **Schedule A, B, BA and D Verification**

NONE **Schedule D - Part 1B**

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	27,753,917	XXX	27,753,917		

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	26,095,768	
2. Cost of short-term investments acquired	1,658,149	26,095,768
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	27,753,917	26,095,768
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	27,753,917	26,095,768

NONE Schedule DB - Part A and B Verification

NONE Schedule DB - Part C - Section 1

NONE Schedule DB - Part C - Section 2

NONE Schedule DB - Verification

SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	535,801,946	534,432,876
2. Cost of cash equivalents acquired	2,446,361	1,369,070
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	538,248,307	535,801,946
11. Deduct total nonadmitted amounts	70,732,362	59,160,372
12. Statement value at end of current period (Line 10 minus Line 11)	467,515,945	476,641,574

- NONE Schedule A - Part 2 and 3**
- NONE Schedule B - Part 2 and 3**
- NONE Schedule BA - Part 2 and 3**
- NONE Schedule D - Part 3**
- NONE Schedule D - Part 4**
- NONE Schedule DB - Part A - Section 1**
- NONE Schedule DB - Part B - Section 1**
- NONE Schedule DB - Part D - Section 1**
- NONE Schedule DB - Part D - Section 2**
- NONE Schedule DL - Part 1**
- NONE Schedule DL - Part 2**

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
Bank of America, N.A. - Austin, TX					27,061,364	26,673,572	27,889,361	
Bank of America, N.A. - Certificate of Deposit Due 01/23/2017		0.750	94,792					
Bank of America, N.A. - Certificate of Deposit Due 02/21/2017		0.870	65,250		15,000,000			
Bank of America, N.A. - Certificate of Deposit Due 03/14/2017		0.870	43,500		10,000,000	10,000,000		
Bank of America, N.A. - Certificate of Deposit Due 03/15/2017		0.870	74,313		15,000,000	15,000,000		
Bank of America, N.A. - Certificate of Deposit Due 03/20/2017		0.870	63,750		15,000,000	15,000,000		
Bank of America, N.A. - Certificate of Deposit Due 03/24/2017		0.350	8,750		15,000,000	15,000,000		
Bank of America, N.A. - Certificate of Deposit Due 03/30/2017		0.840	64,050		15,000,000	15,000,000		
Bank of America, N.A. - Certificate of Deposit Due 04/24/2017		0.820		54,014	15,104,255	15,104,255	15,104,255	
Bank of America, N.A. - Certificate of Deposit Due 06/19/2017		1.050		29,167	10,000,000	10,000,000	10,000,000	
Bank of America, N.A. - Certificate of Deposit Due 07/24/2017		1.090		20,286	10,000,000	10,000,000	10,000,000	
Bank of America, N.A. - Certificate of Deposit Due 08/21/2017		1.090		17,258		15,000,000	15,000,000	
Bank of America, N.A. - Certificate of Deposit Due 09/11/2017		1.040		4,911			10,000,000	
Citibank, N.A. - Dallas, TX					1,963	1,768	1,573	
Citibank, N.A. - MMDA - Dallas, TX		0.150	330		893,282	893,385	893,499	
Citibank, N.A. - MMDA - Dallas, TX		0.150	4		11,098	11,100	11,101	
Citibank, N.A. - MMTD - San Antonio, TX	O	0.700	135,366		90,462,505	90,506,408	90,560,232	
JP Morgan Chase Bank, N.A. - San Antonio, TX					629,288	1,343,044	574,270	
JP Morgan Chase Bank, N.A. - MMDA - San Antonio, TX					439,786	538,928	614,032	
JP Morgan Chase Bank, - Certificate of Deposit Due 01/23/2017		0.470	47,653					
JP Morgan Chase Bank, - Certificate of Deposit Due 02/19/2017		0.680	50,385		15,000,000			
JP Morgan Chase Bank, - Certificate of Deposit Due 02/23/2017		0.680	68,901		20,065,619			
JP Morgan Chase Bank, - Certificate of Deposit Due 03/15/2017		0.720	35,768		10,000,000	10,000,000		
JP Morgan Chase Bank, - Certificate of Deposit Due 03/23/2017		0.720	53,842		15,053,268	15,053,268		
JP Morgan Chase Bank, - Certificate of Deposit Due 03/23/2017		0.430	7,117			20,134,521		
JP Morgan Chase Bank, - Certificate of Deposit Due 03/25/2017		0.550	8,894		10,000,000	10,000,000		
JP Morgan Chase Bank, - Certificate of Deposit Due 04/23/2017		0.710		46,907	15,059,278	15,059,278	15,059,278	
JP Morgan Chase Bank, - Certificate of Deposit Due 05/23/2017		0.740		39,566	15,366,511	15,366,511	15,366,511	
JP Morgan Chase Bank, - Certificate of Deposit Due 06/23/2017		0.820		20,638	15,071,615	15,071,615	15,071,615	
JP Morgan Chase Bank, - Certificate of Deposit Due 07/22/2017		0.890		16,260	10,103,516	10,103,516	10,103,516	
JP Morgan Chase Bank, - Certificate of Deposit Due 08/18/2017		0.890		14,679		15,050,385	15,050,385	
JP Morgan Chase Bank, - Certificate of Deposit Due 09/15/2017		0.970		4,327			10,035,768	
Wells Fargo Bank, N.A. - Certificate of Deposit Due 01/29/2017		0.500	38,549					
Wells Fargo Bank, N.A. - Certificate of Deposit Due 02/28/2017		0.480	25,099		12,508,801			
Wells Fargo Bank, N.A. - Certificate of Deposit Due 03/28/2017		0.500	37,268		15,062,159	15,062,159		
Wells Fargo Bank, N.A. - Certificate of Deposit Due 03/29/2017		0.700	26,028		15,087,344	15,087,344		
Wells Fargo Bank, N.A. - Certificate of Deposit Due 04/28/2017		0.510		32,428	15,070,300	15,070,300	15,070,300	
Wells Fargo Bank, N.A. - Certificate of Deposit Due 05/28/2017		0.540		27,202	15,071,080	15,071,080	15,071,080	
Wells Fargo Bank, N.A. - Certificate of Deposit Due 06/28/2017		0.740		23,611	12,522,520	12,522,520	12,522,520	
Wells Fargo Bank, N.A. - Certificate of Deposit Due 07/29/2017		0.740		18,668	15,094,963	15,094,963	15,094,963	
Wells Fargo Bank, N.A. - Certificate of Deposit Due 08/28/2017		0.790		8,410		12,533,900	12,533,900	
0199998 Deposits in () depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	X X X	X X X						X X X
0199999 Total - Open Depositories	X X X	X X X	949,609	378,332	465,740,515	466,353,820	331,628,159	X X X
Suspended Depositories								
0299998 Deposits in () depositories that do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	X X X	X X X						X X X
0299999 Total Suspended Depositories	X X X	X X X						X X X
0399999 Total Cash on Deposit	X X X	X X X	949,609	378,332	465,740,515	466,353,820	331,628,159	X X X
0499999 Cash in Company's Office	X X X	X X X	X X X	X X X				X X X
0599999 Total	X X X	X X X	949,609	378,332	465,740,515	466,353,820	331,628,159	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
Assets Subject to Reverse Repurchase Agreement at Texas Treasury Safekeeping Tru		03/31/2017	0.672	04/01/2017	538,248,307	10,055	622,361
8599999 Other Cash Equivalents					538,248,307	10,055	622,361
8699999 Total Cash Equivalents					538,248,307	10,055	622,361

E13

NONE **Trusted Surplus Statement**

NONE **Medicare Part D**

Designate the type of health care providers reported on this page.



30040201745000010

**SUPPLEMENT "A" TO SCHEDULE T
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES**

States, Etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
			3 Amount	4 Number of Claims		6 Amount Reported	7 Number of Claims	
1. Alabama AL								
2. Alaska AK								
3. Arizona AZ								
4. Arkansas AR								
5. California CA								
6. Colorado CO								
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC								
10. Florida FL								
11. Georgia GA								
12. Hawaii HI								
13. Idaho ID								
14. Illinois IL								
15. Indiana IN								
16. Iowa IA								
17. Kansas KS								
18. Kentucky KY								
19. Louisiana LA								
20. Maine ME								
21. Maryland MD								
22. Massachusetts MA								
23. Michigan MI								
24. Minnesota MN								
25. Mississippi MS								
26. Missouri MO								
27. Montana MT								
28. Nebraska NE								
29. Nevada NV								
30. New Hampshire NH								
31. New Jersey NJ								
32. New Mexico NM								
33. New York NY								
34. North Carolina NC								
35. North Dakota ND								
36. Ohio OH								
37. Oklahoma OK								
38. Oregon OR								
39. Pennsylvania PA								
40. Rhode Island RI								
41. South Carolina SC								
42. South Dakota SD								
43. Tennessee TN								
44. Texas TX								
45. Utah UT								
46. Vermont VT								
47. Virginia VA								
48. Washington WA								
49. West Virginia WV								
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. US Virgin Islands VI								
56. Northern Mariana Islands MP								
57. Canada CAN								
58. Aggregate Other Alien OT								
59. Totals								

NONE

DETAILS OF WRITE-INS								
58001.								
58002.								
58003.								
58998. Summary of remaining write-ins for Line 58 from overflow page								
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)								

NONE



30040201750500101

DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

Year To Date For The Period Ended 2017

NAIC Group Code 4766

NAIC Company Code 30040

Company Name Texas Windstorm Insurance Association

If the reporting entity writes any director and officer (D&O) business, please provide the following:

1. Monoline Policies

1 Direct Written Premium	2 Direct Earned Premium	3 Direct Losses Incurred
\$	\$	\$

2. Commercial Multiple Peril (CMP) Packaged Policies

2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy? Yes [] No [X]

2.2 Can the direct premium earned for D&O liability coverage provided as part of a CMP packaged policy be quantified or estimated? Yes [] No [X]

2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies

2.31 Amount quantified: \$ _____

2.32 Amount estimated using reasonable assumptions: \$ _____

2.4 If the answer to question 2.1 is yes, provide direct losses incurred (losses paid plus change in case reserves) for the D&O liability coverage provided in CMP packaged policies. \$ _____